

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES TRUSTEE
CENTRAL DISTRICT OF CALIFORNIA

In Re:	CHAPTER 11 (BUSINESS)
Layfield & Barrett, APC	Case Number: 2:17-19548-NB
Debtor(s).	Operating Report Number: 10
	For the Month Ending: May-18

I. CASH RECEIPTS AND DISBURSEMENTS
A. (GENERAL ACCOUNT*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	421,328.86
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS	376,680.03
3. BEGINNING BALANCE:	44,648.83
4. RECEIPTS DURING CURRENT PERIOD:	
Accounts Receivable - Post-filing	1,400.00
Accounts Receivable - Pre-filing	N/A
General Sales	
Other (Specify) Transfer from 2180025491	131,452.49
**Other (Specify)	
TOTAL RECEIPTS THIS PERIOD:	132,852.49
5. BALANCE:	177,501.32
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD	
Transfers to Other DIP Accounts (from page 2)	
Disbursements (from page 2)	98,529.83
TOTAL DISBURSEMENTS THIS PERIOD:***	98,529.83
7. ENDING BALANCE:	78,971.49
8. General Account Number(s):	2181002722
Depository Name & Location:	Union Bank
	PO Box 513840
	Los Angeles, CA 90051

* All receipts must be deposited into the general account.

** Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

***This amount should be the same as the total from page 2.

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

[illegible]

* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

** Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

GENERAL ACCOUNT BANK RECONCILIATION

Bank statement Date: 5/31/2018 Balance on Statement: \$78,971.49

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
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[illegible]

TOTAL DEPOSITS IN TRANSIT

	N/A
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Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
1006	5/30/2018	\$ 78,871.49

[illegible]

TOTAL OUTSTANDING CHECKS:	\$	78,871.49
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Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$	100.00
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* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

I. CASH RECEIPTS AND DISBURSEMENTS
B. (CASH COLLATERAL)

1. TOTAL RECEIPTS PER ALL PRIOR CASH COLLATERAL ACCOUNT REPORTS 334,093.94

2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR CASH COLLATERAL ACCOUNT REPORTS N/A

3. BEGINNING BALANCE: 334,093.94

4. RECEIPTS DURING CURRENT PERIOD: 69,477.60
(Transferred from General Account)

5. BALANCE: 403,571.54

6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD \$ 131,457.39

7. ENDING BALANCE: \$ 272,114.05

8. CASH COLLATERAL Account Number(s): 2180025491

Depository Name & Location: Union Bank
PO Box 513840
Los Angeles, CA 90051

TOTAL DISBURSEMENTS FROM CASH COLLATERAL ACCOUNT FOR CURRENT PERIOD

[illegible]

CASH COLLATERAL ACCOUNT

Bank statement Date: 5/31/2018 Balance on Statement: \$272,114.05

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
6/4/2018	287,577.67
6/5/2018	10,450.00

TOTAL DEPOSITS IN TRANSIT

298,027.67

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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[illegible]

TOTAL OUTSTANDING CHECKS:

	N/A
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Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$570,141.72

* It is acceptable to replace this form with a similar form

** Please attach a detailed explanation of any bank statement adjustment

I. CASH RECEIPTS AND DISBURSEMENTS
C. (TAX ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS	<u>N/A</u>			
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS	<u>N/A</u>			
3. BEGINNING BALANCE:	<table border="1"><tr><td>0.00</td></tr></table>	0.00		
0.00				
4. RECEIPTS DURING CURRENT PERIOD: (Transferred from General Account)	<table border="1"><tr><td>0.00</td></tr></table>	0.00		
0.00				
5. BALANCE:	<table border="1"><tr><td>0.00</td></tr></table>	0.00		
0.00				
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	<table border="1"><tr><td>0.00</td></tr></table>	0.00		
0.00				
7. ENDING BALANCE:	<table border="1"><tr><td>0.00</td></tr></table>	0.00		
0.00				
8. TAX Account Number(s):	<table><tbody><tr><td>2181002730</td></tr></tbody></table>	2181002730		
2181002730				
Depository Name & Location:	<table><tbody><tr><td>Union Bank</td></tr><tr><td>PO Box 513840</td></tr><tr><td>Los Angeles, CA 90051</td></tr></tbody></table>	Union Bank	PO Box 513840	Los Angeles, CA 90051
Union Bank				
PO Box 513840				
Los Angeles, CA 90051				

TOTAL DISBURSEMENTS FROM TAX ACCOUNT FOR CURRENT PERIOD

[illegible]

TAX ACCOUNT BANK RECONCILIATION

Bank statement Date: 5/31/2018 Balance on Statement: \$0.00

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
N/A	N/A

TOTAL DEPOSITS IN TRANSIT

	N/A
--	-----

Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
N/A	N/A	N/A

TOTAL OUTSTANDING CHECKS:

	N/A
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Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\$0.00

* It is acceptable to replace this form with a similar form

**** Please attach a detailed explanation of any bank statement adjustment**

II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS AND OTHER PARTIES TO EXECUTORY CONTRACTS

[illegible]

III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax:

Total Wages Paid: _____

	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding			
State Withholding			
FICA- Employer's Share			
FICA- Employee's Share			
Federal Unemployment			
Sales and Use			
Real Property			
Other: _____			
TOTAL:	N/A	N/A	

IV. AGING OF ACCOUNTS PAYABLE AND RECEIVABLE

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
30 days or less	N/A	N/A	N/A
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTAL:	N/A	N/A	N/A

V. INSURANCE COVERAGE**

	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
General Liability	N/A	N/A	N/A	N/A
Worker's Compensation	N/A	N/A	N/A	N/A
Casualty	N/A	N/A	N/A	N/A
Vehicle	N/A	N/A	N/A	N/A
Others: _____				

VI. UNITED STATES TRUSTEE QUARTERLY FEES (TOTAL PAYMENTS)

[illegible]

* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

****All insurance policies have lapsed due to Debtor's non-payment.**

VII SCHEDULE OF COMPENSATION PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	*Authorized Gross Compensation	Gross Compensation Paid During the Month
N/A	N/A	N/A	N/A

VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	Description	Amount Paid During the Month
N/A	N/A	N/A	N/A

* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

IX. PROFIT AND LOSS STATEMENT
(ACCRUAL BASIS ONLY)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue		
Less: Returns/Discounts		
Net Sales/Revenue	N/A	N/A
Cost of Goods Sold:		
Beginning Inventory at cost		
Purchases		
Less: Ending Inventory at cost		
Cost of Goods Sold (COGS)	N/A	N/A
Gross Profit	N/A	N/A
Other Operating Income (Itemize)		
Operating Expenses:		
Payroll - Insiders		
Payroll - Other Employees		
Payroll Taxes		
Other Taxes (Itemize)		
Depreciation and Amortization		
Rent Expense - Real Property		
Lease Expense - Personal Property		
Insurance		
Real Property Taxes		
Telephone and Utilities		
Repairs and Maintenance		
Travel and Entertainment (Itemize)		
Miscellaneous Operating Expenses (Itemize)		
Total Operating Expenses	N/A	N/A
Net Gain/(Loss) from Operations	N/A	N/A
Non-Operating Income:		
Interest Income		
Net Gain on Sale of Assets (Itemize)		
Other (Itemize)		
Total Non-Operating income	0.00	0.00
Non-Operating Expenses:		
Interest Expense		
Legal and Professional (Itemize)		
Other (Itemize)		
Total Non-Operating Expenses	0.00	0.00
NET INCOME/(LOSS)		

(Attach exhibit listing all itemizations required above)

X. BALANCE SHEET
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:	\$ 570,241.72	
Unrestricted Cash		
Restricted Cash		
Accounts Receivable		
Inventory		
Notes Receivable		
Prepaid Expenses		
Other (Itemize)		
Total Current Assets		
Property, Plant, and Equipment	N/A	
Accumulated Depreciation/Depletion	N/A	
Net Property, Plant, and Equipment		N/A
Other Assets (Net of Amortization):		
Due from Insiders	N/A	
Other (Itemize)	N/A	
Total Other Assets		
TOTAL ASSETS		
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable		
Taxes Payable		
Notes Payable		
Professional fees		
Secured Debt		
Other (Itemize)		
Total Post-petition Liabilities		
Pre-petition Liabilities:		
Secured Liabilities		
Priority Liabilities		
Unsecured Liabilities		
Other (Itemize)		
Total Pre-petition Liabilities		
TOTAL LIABILITIES		
EQUITY:		
Pre-petition Owners' Equity		
Post-petition Profit/(Loss)		
Direct Charges to Equity		
TOTAL EQUITY		
TOTAL LIABILITIES & EQUITY		

XI. QUESTIONNAIRE

- | | No | Yes |
|---|---------------|---------------|
| 1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: | <u>X</u> | <u> </u> |
| <hr/> | | |
| 2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: | <u> </u> | <u> </u> |
| N/A | | |
| <hr/> | | |
| 3. State what progress was made during the reporting period toward filing a plan of reorganization. | | |
| <p>Since his appointment on August 22, 2017, among other actions, the Trustee and his counsel have engaged in discussions with, and requested documentation and information from, persons and entities associated with the Debtor and third parties regarding the Debtor's assets, liabilities and previous business operations. The Debtor did not file its Schedules or Statement of Financial Affairs in the Case and no representative of the Debtor has appeared to respond to inquiries at any meeting of creditors pursuant to section 341(a) of the Bankruptcy Code. Therefore, despite his and his counsel's best efforts, the Trustee only has incomplete information regarding the estate. The Trustee intends to continue to gather and analyze information regarding the Debtor. Also, the Trustee filed and the Court approved a motion to approve procedures for the resolution of the bankruptcy estate's fee and cost claims arising from the Debtor's services to former clients and referrals of matters to other law firms. Pursuant to the authority and procedures granted by such order, the Trustee presently is engaged in settling such matters. The Trustee has recovered real property previously belonging to the Debtor that was transferred prior to the Petition Date and has issued demand letters to other parties receiving transfers within the preference period. The results of the Trustee's efforts to recover and dispose of these and other assets for the benefit of the estate will impact his determination regarding the formulation of a plan.</p> | | |
| <hr/> | | |
| 4. Describe potential future developments which may have a significant impact on the case: | | |
| <p>The Court set February 5, 2018, as the general claims bar date. Around 290 claims have been filed in the Case in the aggregate face amount of over \$860 million. Although neither the Trustee nor his counsel has initiated a review and analysis of the nature, amount and validity of such claims, the Trustee believes that the amount of claims asserted against the estate is significantly overstated. The Trustee and Wellgen Standard, LLC, the parent company and assignee of the Debtor's pre-petition lender, Advocate Capital, Inc., have entered into, and the Court has approved, a stipulation to address the fees billed and costs incurred by the Trustee and his counsel in connection with the case and the disposition of Wellgen's collateral. Once the foregoing issues have been resolved, the Trustee will be in a better position to analyze the financial condition of the bankruptcy estate and determine the disposition of the case that will be in the best interests of creditors, including, without limitation, the formulation of a plan.</p> | | |
| 5. | | |
| N/A | No | Yes |

6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below.

N/A

- I, Richard M. Pachulski, Chapter 11 Trustee for Layfield & Barrett, APC, declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.

Date

Principal for debtor-in-possession



UnionBank

STATEMENT
OF ACCOUNTS

Request Id: 2458381

Request Date: 06/13/2018

Bank Account Statement(s)

Account Number	Account Name	Statement Date
2180025491	BANKRUPTCY ESTATE OF LAYFIELD BARRETT, APC.	05/31/2018
2181002722	BANKRUPTCY ESTATE OF LAYFIELD BARRETT,1APC.	05/31/2018
2181002730	BANKRUPTCY ESTATE OF LAYFIELD BARRETT,1APC.	05/31/2018



STATEMENT OF ACCOUNTS

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

Page 1 of 2
BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT
Statement Number: 2180025491
05/01/18 - 05/31/18

Customer Inquiries
800-669-8661

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**BANKRUPTCY ESTATE OF LAYFIELD & BARRETT
APC., DBTR - CASH COLLATERAL ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2:17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067**

Business Basics Checking Summary

Account Number: 2180025491

Days in statement period: Days in statement period: 31

Balance on 5/1	\$	334,093.94
Total Credits		69,477.60
Deposits (2)	69,477.60	
Total Debits		-131,457.49
Electronic debits (1)	-131,452.49	
Other debits (1)	-5.00	
Balance on 5/31	\$	272,114.05

C R E D I T S

Deposits *including check and cash credits*

Date	Description/Location	Reference	Amount
5/9	OFFICE DEPOSIT # 0000385025	77546045	\$ 61,477.60
5/11	OFFICE DEPOSIT # 0000385026	77615171	8,000.00
	2 Deposits	Total	\$ 69,477.60

D E B I T S

Electronic debits

Date	Description	Reference	Amount
5/30	WIRE TRANS TRN 0530000743 053018 UBOC93050713 UB910152N Sent To: BANKRUPTCY ESTATE OF LAYFIELD & Beneficiary:		\$ 131,452.49

Other debits, fees and adjustments

Date	Description	Reference	Amount
5/30	WIRE TRANSFER FEE TRN 180530-000743	93050895	\$ 5.00

Daily Ledger Balance

<i>Date</i>		<i>Ledger Balance</i>	<i>Date</i>		<i>Ledger Balance</i>
5/1-5/8	\$	334,093.94	5/11-5/29	\$	403,571.54
5/9-5/10		395,571.54	5/30-5/31		272,114.05



STATEMENT OF ACCOUNTS

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

Main Document Page 21 of 23

Page 1 of 2

BANKRUPTCY ESTATE OF LAYFIELD &

Statement Number: 2181002722

05/01/18 - 05/31/18

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**BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT, APC., DEBTOR - GENERAL ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2: 17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067**

Business Value Checking Summary

Account Number: 2181002722

Days in statement period: Days in statement period: 31

Balance on 5/ 1	\$	44,648.83
Total Credits		132,852.49
Deposits (1)	1,400.00	
Electronic credits (1)	131,452.49	
Total Debits		-98,529.83
Checks paid (3)	-98,514.83	
Other debits (1)	-15.00	
Balance on 5/31	\$	78,971.49

C R E D I T S

Deposits *including check and cash credits*

<i>Date</i>	<i>Description/Location</i>	<i>Reference</i>	<i>Amount</i>
5/23	OFFICE DEPOSIT # 0000385027	77072195 \$	1,400.00

Electronic credits

<i>Date</i>	<i>Description/Location</i>	<i>Reference</i>	<i>Amount</i>
5/30	WIRE TRANS TRN 0530000743 053018 UBOC UB910152N	93050714 \$	131,452.49
	Received From:		
	BANKRUPTCY ESTATE OF LAYFIELD &		
	Originator:		

D E B I T S

Check Paid

<i>Number</i>	<i>Date</i>	<i>Amount</i>	<i>Number</i>	<i>Date</i>	<i>Amount</i>
1004	5/3	650.00	1007*	5/30	45,283.83
1005	5/30	52,581.00			
3 Checks paid			Total		\$ 98,514.83

* Checks missing in sequence. Out of sequence check numbers may also be located in the Electronic Debits section of your statement.

Other debits, fees and adjustments

<i>Date</i>	<i>Description</i>	<i>Reference</i>		<i>Amount</i>
5/2	WIRE TRANSFER MONTHLY FEE/WEB (WTM)	90251892	\$	15.00

Daily Ledger Balance

<i>Date</i>		<i>Ledger Balance</i>	<i>Date</i>		<i>Ledger Balance</i>
5/1	\$	44,648.83	5/23-5/29	\$	45,383.83
5/2		44,633.83	5/30-5/31		78,971.49
5/3-5/22		43,983.83			



STATEMENT OF ACCOUNTS

UNION BANK
SPECIALIZED DEPOSITS 0218
POST OFFICE BOX 513840
LOS ANGELES CA 90051-3840

Main Document Page 23 of 23

Page 1 of 1

BANKRUPTCY ESTATE OF LAYFIELD &

Statement Number: 2181002730

05/01/18 - 05/31/18

Customer Inquiries
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**BANKRUPTCY ESTATE OF LAYFIELD &
BARRETT, APC., DEBTOR - TAX ACCOUNT
RICHARD PACHULSKI, CHAPTER 11 TRUSTEE
CASE #2:17-BK-19548-NB
10100 SANTA MONICA BLVD., 13TH FLOOR
LOS ANGELES CA 90067**



Business Value Checking Summary

Account Number: 2181002730

Days in statement period: Days in statement period: 31

Balance on 5/ 1	\$	0.00
Total Credits		0.00
Total Debits		0.00
Balance on 5/31	\$	0.00

C R E D I T S

D E B I T S

Daily Ledger Balance

<u>Date</u>	<u>Ledger Balance</u>	<u>Date</u>	<u>Ledger Balance</u>
5/1-5/31	\$ 0.00		